



Risk Management
Suite 102
242 Culver Street
Lawrenceville, GA 30045
(770) 339-8319
1 (800) 513-6961
Fax (770) 339-7926

October 12, 2005

Mr. Todd Hammerstone
R.J. Corman Derailment Services
One Jay Station
Nicholasville, KY 40356

Re: Notice of Claim arising out of clean-up activities at derailment-10-25-03, CR
93, Shorter, AL

Dear Mr. Hammerstone,

Per our phone conversation please, here is the letters I mailed in June and September of this year. Also find a copy of the complaint and bills with detail. Please notify your insurance carrier of this claim. Also the Statute of Limitations on CSX's claims for indemnification and reimbursement runs on October 25, 2005. Please contact me at the above number to discuss R.J. Corman's position of waving statue or not. Otherwise CSX will have no choice but to file suit against R.J. Corman prior to 10/25/05. I look forward to speaking with you with respect to these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty A. Foskey".

Marty A. Foskey
Manager Field Investigations
Risk Management

Ex 1

September 28, 2005

Ms. Mitzi A. Onkst
Accounts Receivable Manager
R.J. Corroan Company
One Jay Station
Nicholasville, KY 40356

Re: Second Notice of Claim arising out of clean-up activities at Derailment-
10/25/03
CR 93, Shorter, AL

Dear Ms. Onkst:

This letter is to remind you of CSX Transportation's claim for damages arising out of the clean-up activities you performed at the site of the derailment that occurred on October 25, 2003, in Shorter, Alabama. I sent you written notification of this claim in June of 2005, and you have not responded.

As you know, the actions of your employees at the site of this derailment caused additional property damage, including the loss of contents of cars containing cross ties and other products, and damage to adjoining property belonging to third parties. One of those adjoining property owners sued CSX claiming damages for injuries resulting from the derailment and contamination of his property, some of which was caused by your negligence while participating in the clean-up activities at the derailment site. CSX seeks reimbursement and indemnification of all costs and damages caused by your clean-up activities at the derailment site and the additional property damage caused by your negligence with respect to your clean-up activities.

The statute of limitations on CSX's tort claims for indemnification and reimbursement runs on October 25, 2005. Please contact me within the next two weeks and let me know R. J. Corroan's position with respect to these claims. Otherwise, CSX will have no choice but to file suit against R. J. Corroan prior to October 25, 2005. I look forward to speaking with you with respect to these matters.

Sincerely,

Manager Field Investigations



Risk Management
Suite 102
242 Culver Street
Lawrenceville, GA 30045
(770) 339-8319
1 (800) 513-6961
Fax (770) 339-7926

June 6, 2005

Ms. Mitzi A. Onkst
Accounts Receivable Manager
R.J. Cornman Company
One Jay Station
Nicholasville, KY 40356

Re: Notice of Claim arising out of clean-up activities at Derailment-10/25/03
CR 93, Shorter, AL

Dear Ms. Onkst:

This letter is to notify you of CSX Transportation's claim for damages arising out of clean-up activities at the site of the derailment that occurred on October 25, 2003, in Shorter, Alabama. As a result of actions of your employees at the site of this derailment, additional property damage was caused, including the loss of contents of cars containing cross ties and other products, and damage to adjoining property belonging to third parties. On August 24, 2004, CSX Transportation, Inc. was sued by an adjacent property owner claiming damages for injuries resulting from the derailment and contamination of his property, some of which was caused by your negligence while participating in the clean-up activities at the derailment site. A copy of the complaint is enclosed for your review.

This is to advise you that CSX Transportation will seek reimbursement and indemnification of all costs and damages caused by your clean-up activities at the derailment site and the additional property damage caused by your negligence with respect to your clean-up activities. Please notify your insurance carrier of this claim and let us know if you wish to participate in the defense of the enclosed lawsuit as it relates to property damage caused by your employees' actions or if you have any questions in regard to CSX's claim. You may contact me the above-listed telephone number.

Sincerely,

Marty A. Foskey
Manager Field investigations



Page 1 of 2

PA Invoice

Bill No. : 7075998
Bill Date : 02-NOV-04
Billed Through : 03-NOV-04
Customer No. : 63867
Project No. : 134323
Customer Ref. No. :
File No. :
Occurrence/In-Service Date : 25-OCT-03

RJ CORMAN DERAILMENT SERVICES, LLC
ATTN: NOEL RUSH, PRESIDENT
P O BOX 770
ONE JAY STATION
NICHOLASVILLE KY 40356

CSX Federal ID No. : 54 - 6000720
Work Site : SHORTER, AL
Project Description : COSTS INCURRED DUE TO FIRE DURING CONTRACTOR CLEAN UP OF DERAILMENT ON OCTOBER 25, 2003 IN SHORTER, AL. LLH

Item Description

Total Amount

| | |
|----------------------|--------------|
| LABOR GENERAL OFFICE | \$21.41 |
| INVOICE-MATERIAL | \$13,873.02 |
| MATERIAL INVN NEW | \$160,728.86 |
| INVOICE-MISCL | \$428,360.88 |
| Invoice Total : | \$602,984.17 |

Remit To :

CSX Transportation, Inc.
PO BOX 116651
ATLANTA GA 30368-6651

Amount Due : \$602,984.17
Due Date : 02-DEC-04
Payment Terms : 30 NET

If you have any questions regarding this invoice, please contact Marcia Henry-Lester at 904-279-6153

OP 134323

| Project | Task | Task Name | Expend Type | Item Date | Employee/Supplier | Quantity | Accrued Revenue | UOM | Comment |
|---------|-----------|----------------------|--------------------------------|-----------|--------------------------------|----------|-----------------|----------|---------------------|
| 134323 | 40 | LABOR GENERAL OFFICE | LABOR-GENERAL | 1-Nov-04 | HAGBARTY, J.A. LITSEAL | 0.5 | \$21.41 | Hours | PROGRESS BILLING |
| 134323 | 40 Total | | | | | | \$21.41 | | |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 9-Nov-04 | AMEC EARTH & ENVIRONMENTAL INC | 182.58 | \$184.35 | Currency | INV-404188 E08647 |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-OUTSIDE LAB | 4-Nov-04 | TESTAMERICA INC | 1287.47 | \$1,300.34 | Currency | INV-404281 E08647 |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 1-Sep-04 | AMEC EARTH & ENVIRONMENTAL INC | 1287.47 | \$1,300.34 | Currency | INV-404383 E08647 |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 8-Sep-04 | AMEC EARTH & ENVIRONMENTAL INC | 5181.53 | \$8,253.15 | Currency | INV-404391 E08647 |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 8-Sep-04 | AMEC EARTH & ENVIRONMENTAL INC | 732.55 | \$739.89 | Currency | INV-404402 E08647 |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 15-Oct-04 | AMEC EARTH & ENVIRONMENTAL INC | 1584.12 | \$1,684.66 | Currency | INV-404441 E08647 |
| 134323 | 210 Total | | | | | | \$13,973.02 | | |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 1-Dec-04 | CENTER FOR TOXICOLOGY & | | | | INV-101571 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 12-Dec-04 | PEPAGO INC | 4912.05 | \$4,261.17 | Currency | INV-2-453816 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 12-Dec-04 | AMEC EARTH & ENVIRONMENTAL INC | 4290.34 | \$43,332.37 | Currency | INV-403387 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 12-Dec-04 | AMEC EARTH & ENVIRONMENTAL INC | 583.1 | \$586.03 | Currency | INV-403387 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 26-Jan-04 | AMEC EARTH & ENVIRONMENTAL INC | 1020.45 | \$1,026.62 | Currency | INV-403441 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 23-Jan-04 | AMEC EARTH & ENVIRONMENTAL INC | 310.35 | \$330.85 | Currency | INV-403567 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 29-Jan-04 | AMEC EARTH & ENVIRONMENTAL INC | 484.57 | \$7,051.32 | Currency | INV-403644 E08647 |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 1859.33 | \$42,277.92 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 1544.65 | \$13,175.10 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 3200 | \$2,333.60 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 900 | \$800.00 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 3888.12 | \$39,265.08 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 3887.88 | \$39,257.58 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 1240 | \$1,272.40 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 1932.77 | \$40,082.10 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 3624.64 | \$39,586.89 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 30805.14 | \$40,001.30 | Currency | |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 4-Feb-04 | AMEC EARTH & ENVIRONMENTAL INC | 1200 | \$1,513.00 | Currency | |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 10-Feb-04 | SOUTHERN WASTE SERVICES INC | 4230.31 | \$4,272.81 | Currency | INV-30312 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 3-Mar-04 | AMEC EARTH & ENVIRONMENTAL INC | 73.62 | \$20.42 | Currency | INV-403721 E08640 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 5-Mar-04 | AMEC EARTH & ENVIRONMENTAL INC | 2105.77 | \$2,176.89 | Currency | INV-403703 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-OUTSIDE LAB | 19-Apr-04 | TESTAMERICA INC | 4720 | \$1,767.20 | Currency | INV-338635 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-OUTSIDE LAB | 19-Apr-04 | TESTAMERICA INC | 7375 | \$7,438.75 | Currency | INV-1365887 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 19-Apr-04 | AMEC EARTH & ENVIRONMENTAL INC | 6880.17 | \$7,056.03 | Currency | INV-403765 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-OUTSIDE LAB | 4-May-04 | TESTAMERICA INC | 4239.86 | \$4,362.25 | Currency | INV-403935 E08647 |
| 134323 | 215 | INVOICE-MISCL | ENVIRO-ACCIDENTS & DERAILMENTS | 4-Jun-04 | AMEC EARTH & ENVIRONMENTAL INC | 4239.85 | \$4,282.25 | Currency | INV-403935 E08647 |
| 134323 | 215 | INVOICE-MISCL | LOSS & DMG RES-PMT | 24-Jun-04 | AMEC EARTH & ENVIRONMENTAL INC | 4608.75 | \$40,890.72 | Currency | |

OP 134323

| | | | | | | | | |
|--------|-------------|-------------------|--------------------------|-----------|-------|--------------|---------|------------------------|
| 134323 | 215 | INVOICE MISCL | LOSS & DIAG RES PAT | 27-Aug-04 | 81992 | \$82,511.92 | Current | LOSS OF PRODUCT NLTX |
| | 215 Total | | | | | \$478,781.88 | | 5010 |
| 134323 | 220 | NATURAL INVIN NEW | CROSS TIES TREATED N.E.M | 20-Feb-04 | 4950 | \$180,178.89 | EACH | TIE CROSS CRED MARLINE |
| | 220 Total | | | | | \$100,178.85 | | |
| | Grand Total | | | | | \$602,964.17 | | |



Page 1 of 2

PA Invoice

Bill No. : 7081369
Bill Date : 27-APR-05
Billed Through : 28-APR-05
Customer No. : 63867
Project No. : 134323

Customer Ref. No. :

File No. :

Occurrence/In-Service Date 25-OCT-03

RI CORMAN DERAILMENT SERVICES, LLC
ATTN: NOEL RUSH, PRESIDENT
P O BOX 270
ONE JAY STATION
NICHOLASVILLE KY 40356

CSX Federal ID No. : 14 - 6000720

Work Site : SHORTER, AL

Project Description : CONTRACTOR CREW WHILE CLEAN-UP DERAILMENT STARTED A FIRE THAT CREATED ADDITIONAL COST TO CSXT ON OCTOBER 25, 2003 IN SHORTER, AL...LLH

Item Description

Total Amount

LABOR GENERAL OFFICE
INVOICE-MATERIAL
Sales Tax

\$42.82
\$14,297.04
\$1,286.73

Invoice Total : \$15,626.59

Remit To :

CSX Transportation, Inc.
PO BOX 116651
ATLANTA

GA 30368-6651

Amount Due : \$15,626.59
Due Date : 27-MAY-05
Payment Terms : 30 NET

If you have any questions regarding this invoice, please contact Marcia Henry-Lester at 904-279-6153

OP 134323

| Project | Task | Task Name | Expend Type | Item Date | Employee/Supplier | Quantity | Accrued Revenue | UOM | Comment |
|---------|-------------|----------------------|-------------------------------|-----------|--------------------------------|----------|-----------------|----------|-------------------------|
| 134323 | 40 | LABOR GENERAL OFFICE | LBR-CLERICAL | 2-Nov-04 | HAGGARTY, M. LITAESE L | 0.5 | \$21.41 | Hours | BILL PREPARATION |
| 134323 | 40 | LABOR GENERAL OFFICE | LBR-CLERICAL | 27-Apr-06 | HAGGARTY, M. LITAESE L | 0.6 | \$21.41 | Hours | BILL PREPARATION |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 2-Nov-04 | AMEC EARTH & ENVIRONMENTAL INC | 205.6 | \$207.86 | Quantity | INV-404822 E08647 OTHER |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 2-Nov-04 | AMEC EARTH & ENVIRONMENTAL INC | 121.82 | \$121.84 | Quantity | INV-404824 E08647 OTHER |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 2-Nov-04 | AMEC EARTH & ENVIRONMENTAL INC | 199.2 | \$199.35 | Quantity | INV-404834 E08647 OTHER |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 22-Sep-04 | AMEC EARTH & ENVIRONMENTAL INC | 4258.23 | \$4,242.28 | Quantity | INV-404807 E08647 OTHER |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 10-Feb-05 | AMEC EARTH & ENVIRONMENTAL INC | 112.71 | \$113.33 | Quantity | INV-404809 E08647 OTHER |
| 134323 | 210 | INVOICE MATERIAL | ENVRO-ACCIDENTS & DERAILMENTS | 1-Feb-05 | AMEC EARTH & ENVIRONMENTAL INC | 880.33 | \$8,962.07 | Quantity | INV-404845 E08647 OTHER |
| | 210 Total | | SALES TAX | | | 287.05 | \$288.72 | Quantity | INV-408019 E08647 OTHER |
| | Grand Total | | | | | | \$1,288.73 | | SALES TAX |
| | | | | | | | \$15,593.77 | | |
| | | | | | | | \$15,882.59 | | |



Page 1 of 2

PA Invoice

Bill No. : 7086631
Bill Date : 27-SEP-05
Billed Through : 28-SEP-05
Customer No. : 63867
Project No. : 134323

Customer Ref. No. :
File No. :

Occurrence/In-Service Date 25-OCT-03

RI CORMAN DERAILMENT SERVICES, LLC
C/O CSX CLAIMS DIRECTOR
500 WATER STREET
JACKSONVILLE FL 32202

CSX Federal ID No. : 14-6000720

Work Site : SHORTER, AL

Project Description : CONTRACTOR CREW WHILE CLEAN-UP DERAILMENT STARTED A FIRE THAT CREATED ADDITIONAL COST TO CSXT ON OCTOBER 25, 2003 IN SHORTER, AL, LLC

Item Description

Total Amount

| | |
|----------------------|------------|
| LABOR GENERAL OFFICE | \$21.87 |
| INVOICE-MATERIAL | \$8,205.57 |
| Sales Tax | \$738.50 |

Invoice Total : \$8,965.94

Remit To :

CSX Transportation, Inc.
PO BOX 116651
ATLANTA

GA 30368-6651

Amount Due : \$8,965.94
Due Date : 27-OCT-05
Payment Terms : 30 NET

If you have any questions regarding this invoice, please contact Miscellaneous Billing at 904 279-6988

OP 134323

| Project | Task | Task Name | Expend Type | Item Date | Employee/Supplier | Quantity | Accrued Revenue | UOM | Comment |
|---------|-------------|----------------------|--------------------------------|-----------|--------------------------------|----------|-----------------|----------|----------------------------|
| 134323 | 40 | LABOR GENERAL OFFICE | LBR-GENERAL | 27-Sep-03 | HAGGARDY, M. LITAESE L | 0.5 | \$21.87 | Hours | BILL PREPARATION |
| 134323 | 40 Total | | | | | | \$21.87 | | |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 14-Jun-05 | AMEC EARTH & ENVIRONMENTAL INC | 441.98 | \$441.40 | Currency | INV/408289 E08647 OTHER |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 15-Jul-05 | AMEC EARTH & ENVIRONMENTAL INC | 352.12 | \$3,357.34 | Currency | INV/N13408426 E08647 OTHER |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 5-Aug-05 | AMEC EARTH & ENVIRONMENTAL INC | 1888.39 | \$1,917.37 | Currency | INV/N13408570 E08647 OTHER |
| 134323 | 210 | INVOICE-MATERIAL | ENVIRO-ACCIDENTS & DERAILMENTS | 7-Sep-06 | AMEC EARTH & ENVIRONMENTAL INC | 2281.84 | \$2,284.46 | Currency | INV/N13408825 E08647 OTHER |
| | 210 Total | | | | | | \$6,262.57 | | |
| | Grand Total | | | | | | \$9,227.44 | | |